



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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June 11, 2004

TO: The Honorable Terry Bergeson
Office of the Superintendent of Public Instruction

FROM: Marty Brown, Director *MB*

SUBJECT: ADDITIONAL INSTRUCTIONS FOR AGENCY BUDGET SUBMITTALS

The Priorities of Government (POG) Results Teams recently completed work on the high-level purchase strategies that they believe will best achieve statewide results. As part of this effort, Teams also made suggestions about specific analyses and initiatives that will help them in the fall when they reconvene to produce detailed purchase plans for implementation of proposed strategies. Because Results Teams will be reviewing agency budget requests for activities that can be included in these purchase plans, we are communicating their ideas to you as you prepare your budgets.

Although the state is not facing quite the same fiscal challenges that generated the initial Priorities of Government process in 2002, initial estimates for 2005-07 indicate a \$700 million shortfall between forecasted state General Fund (GFS) revenues and the cost of continuing current GFS-funded services. The POG budget approach helps us focus on core services that contribute the most toward statewide results. This, in turn, provides a framework for OFM decisions and budget recommendations to the Governor.

High-Level Strategies will Guide Budget Decisions

We strongly urge your consideration of the information contained in this memo as you develop your agency budget proposal.

1. You will find enclosed a list of the high-level indicators of success and the purchase strategies recommended for each statewide result. This information is the investment criteria that Results Teams will use to create their purchase recommendations. Review the indicators and strategies for all 11 results and focus on areas that you believe can be influenced with activities in your agency. For example, if your budget includes activities that affect indicators in Result #4 (Improve Health) because they contribute to the statewide strategy of "mitigating environmental hazards," then your budget should help make that connection for the Results Team.

A summary is provided in this memo, but we encourage you to read the full reports of the Teams, particularly those prepared for Tollgate #2, to understand the context in which these recommendations were made. The reports are available at <http://www.ofm.wa.gov/budget/pog/teamreports.htm>.

2. For some agencies, there are recommended initiatives or research projects listed at the end of this memo. This means one or more Results Teams indicated interest in these ideas and are asking for additional information before they complete their purchase plan recommendation in the fall.
3. The Teams also suggested criteria that agencies could use to assess the activities they propose for funding. As you determine your budget request, we recommend you address these questions in your deliberations:
 - Are there options for earlier, preventative interventions as alternatives to more expensive services later?
 - Are those options evidence-based or supported by research as to their effectiveness toward the intended result?
 - Are we paying the right price for the services delivered?
 - Are activities properly coordinated for maximum effect?
 - Do activities have explicit outcomes and measures of performance?
 - Are there opportunities for outcome-based contracts?

Additional Information Requested for the Budget Submittal

OFM has selected a number of the recommendations mentioned in the team reports to be completed as part of the budget development process. We ask that your agency submit the following information, either as part of your budget request, as an addendum to your budget submittal, or as a separate submittal on the date indicated.

1. Professional development

Current practice: The state of Washington significantly invests in professional development for K-12 teachers by incorporating acknowledgement of the university credits earned or other coursework taken. However, to a great degree, this current investment is not aligned to the development of teaching related to the expectations the state has for students. The state approves the providers of professional development, but does not articulate the content of the courses offered nor approve the course selections. For early child care providers, there is essentially no professional development system.

Statement of the desired solution: State student assessment data show that some broad areas of student skill need attention. The state should use this data to design comprehensive P-12 teacher professional development programs that will provide the skills teachers and providers need to teach the content that students need to learn. These programs are to build on the principles of quality adult learning in a professional setting. Assume that completion of these programs would be compensated.

- 1) Examine student data and teaching expertise data and determine areas in which state-defined professional development curriculum should be designed.
- 2) Design options to include early education providers in a state system of professional development
- 3) Describe process for designing coursework
- 4) Describe development of faculty to deliver coursework
- 5) Describe delivery system for making coursework accessible to teachers and providers
- 6) Recommend compensation amount, including tiered reimbursement model for child care providers, and process for documenting course-taking for compensation purposes
- 7) Submit budget data to support effort (course design, material development and provision to teachers, faculty training, phase-in plan, etc.)

OSPI shall work with OFM and consult with ESDs, the Washington Professional Educators Standards Board, DSHS and the Department of Community, Trade and Economic Development on these proposals.

2. Secondary education reform and improving transitions from secondary to postsecondary schools

Current practice: Secondary schools – middle and high schools – are facing the challenge of systemic change. The organization of middle and high schools has been relatively stable for years. The middle school is seen as a transition from elementary school to high school, and so incorporates structures such as student assignment to subject area classes rather than an assignment to one primary teacher. Historically, high schools have been organized to meet the requirements for postsecondary education, with the collection of certain subject area courses in amounts defined by the state. As the attention moves from prescribed seat time to content/skill mastery for students, it is necessary to design structures and opportunities that focus on mastery of the basic requirements, support expanded rigor in content areas as well as provide preparation for the student's world after high school.

Statement of desired solution: Models of student-centered programs and supports are available for use by schools with the appropriate guidance and resources for implementation.

Request: Develop a budget proposal to complete the following work:

- 1) Developing individual student plan templates for achieving high school graduation and preparation for steps beyond high school
- 2) Providing course outlines for reading, writing and mathematics intervention and remediation efforts, complete with instructional resources, strategies, and staff development opportunities
- 3) Developing a Focused Assistance model that provides a structure for districts and schools to examine their practices and implement changes in curriculum, student opportunities, staff roles and professional development
- 4) Developing a school improvement process that analyzes the rigor, relevance, and alignment of course content to state standards and postsecondary opportunities

3. Educational Service Districts

Current practice: State statute created ESDs to assist the OSPI and the State Board of Education and to provide cooperative and informational services to school districts. The ESDs have few formal, statutory ties to the OSPI. However, many state programs utilize ESDs as a regional delivery structure often defined through contractual agreements.

Statement of the desired solution: A vision for regional educational service areas that support state student achievement goals and provide local school districts with appropriate operational assistance, with an emphasis on a regional professional development system.

Research: The OSPI in concert with the ESDs should:

- 1) Recommend changes to the role and functions of the ESDs to increase their capacity to help achieve cost-effective solutions to state education goals. This includes a legislative proposal if necessary.
- 2) Develop an operational design to support schools in meeting student achievement goals.
- 3) Clarify or define the relationship between the state and regional ESDs.
- 4) Assign costs to the performance of new and transition functions.

4. Surplus Materials

Current practice: School districts and ESDs must follow the statutory requirements for the procurement and subsequent surplus of materials purchased with state and federal funds. The requirements are found in education statutes and regulations, state purchasing statutes and regulations, specific program statutes and federal statutes and regulations.

Statement of desired solution: Relieve the school districts and ESDs of the warehousing burden and costs associated with the required retention of surplus materials.

Research: The OSPI in concert with the ESDs should:

- 1) Determine all requirements for the maintenance and surplus of educational materials
- 2) Estimate the extent of the current warehousing program of surplus materials
- 3) Recommend statutory and regulatory changes that relieve the long-term burden on the education system
- 4) Recommend alternative uses for materials no longer needed by a school district or educational service district
- 5) Recommend possible efficient, coordinated systems for processing surplus materials

5. Data Systems

Current practice: The OSPI is in the process of implementing the secure student identifier. This is an initial step toward implementing a core student record system, which can be utilized to impact individualized instruction for students and evaluate program effectiveness. OSPI also has undertaken a review of the current data collection in the personnel record system. Currently the personnel data system is not integrated with the certificate data system or district financial information. Additionally, the DSHS is developing an automated system for child care. This system could improve accuracy of child care payments, streamline licensing activities, and align child care provider professional development with licensing requirements.

Statement of desired solution: Fully implement a core student record system, linked with pre-kindergarten data, and implement a core personnel and program data system. This resource would provide policy makers, researchers, districts, teachers and parents a consistent, efficient, and cost-effective means to record, store and access educational system information.

Research: The OSPI should:

- 1) Identify phase-in approach for core student record system with identified operational services at each phase and recommendations for statutory authorization
- 2) Review current data structures and identifying measures to integrate the data in these individual systems
- 3) Develop a plan to implement a comprehensive, integrated educator information system, including a central repository of educator qualifications, electronic certification, and continuing education records
- 4) Identify measures to improve quality of educational data inputs

The Department of Social and Health Services should create a proposal for an E-child care system, including plans for how this information can be linked to a comprehensive K-12 data system.

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6. The Department of Social and Health Services, in coordination with the Office of Superintendent of Public Instruction, should conduct a literature review on research that identifies where social services contribute to success in school, including readiness to learn, support services for high-risk families, food and anti-poverty projects, physical and mental health services for students and their families.
7. Expand dual-credit programs – Programs like Running Start, College in the High School, and Tech Prep allow qualified high schools students to take college level courses free of charge and earn college and high school credit simultaneously. The Governor's Office is working with the Superintendent of Public Instruction, the SBCTC, and the HECB to create incentives for school districts to expand dual-credit programs. We would respectfully request that the Superintendent of Public Instruction provide the status of the ongoing effort.

If you have questions about any of these recommendations, please consult your assigned OFM Budget Analyst, who will then coordinate assistance with the appropriate Results Team.

Finally, I want to thank all of you for your energy and dedication as we head into another round of POG. Your efforts are critical to its success, and I know from experience that I can count on you.

Attachment

cc: Agency Budget Director